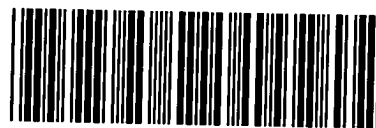


Company Registration No. 03026339 (England and Wales)

BRIDGE BROKERS LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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BRIDGE BROKERS LIMITED

COMPANY INFORMATION

Directors	M Backner G D Cohen A Backner A Cohen
Company number	03026339
Registered office	Cobac House 14-16 Charlotte Street Manchester United Kingdom M1 4FL
Auditor	Azets Audit Services Ship Canal House 98 King Street Manchester M2 4WU

BRIDGE BROKERS LIMITED

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BRIDGE BROKERS LIMITED

CHIEF EXECUTIVE OFFICER'S REVIEW (INCORPORATING A STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Who we are and what we do

Bridge Brokers Limited is the parent company of Bridge Insurance Brokers Limited ("Bridge", "the Company"). Bridge Insurance Brokers Limited (Bridge) is a leading independent corporate insurance broker with offices in Manchester and London.

Established in 1970, we are a trusted business partner to our clients and a valued contributor to the insurance market, our long term success resulting from our client centric approach, strong management and a consistent focus on key strategic areas of the business, delivering growth both organically and through selective acquisition over the years.

Our vision for the future is to maintain this strategy, building on our USP as an Independent Broker in a consolidating market, whilst embracing new technologies to improve corporate efficiency, enhance the Bridge service offering to our clients and create new market and route to market opportunities.

In so doing, we know that success cannot be achieved without the trust in the people we employ and the support of the clients we serve, and the relationships we have developed with underwriters.

Committed to the highest standards, we are authorised and regulated by the Financial Conduct Authority (FCA) in respect of insurance mediation activities; Firm Reference Number 308815. We are also members of the British Insurance Brokers' Association and are Chartered Insurance Brokers. Bridge is very highly regarded among local, national and international professional and business circles and enjoys an enviable reputation for technical excellence which sets us apart from our competitors.

Our clients value the high quality of our service and as a result many have long term relationships with us, allowing us to enjoy one of the highest retention rates in the industry.

Through offering professional advice, technical excellence, high quality service and commercial awareness, we look to contribute to the success, profitability and post-loss business continuity of our clients.

Business review and financial highlights

The Board is pleased to report another strong set of results for the year ending 31st March 2023, with profit before tax of £0.9m, delivered on 11% higher revenues of £17m. This reflects strong income growth throughout the business, notably from our Real Estate, International and Corporate PI divisions combined with the impact of inflationary cost pressures across the board, squeezing operating margins slightly.

In addition to its inflationary pressures, the trading environment remained challenging and changeable, with the hard insurance market, variable risk appetite in certain sectors, and a general tightening of liquidity impacting many of our clients. Specifically, the FCA response to these conditions together with the cost of living and cladding crisis, has created an increasingly rigorous and fluid regulatory environment, focused on Fair Value, to which we have had to quickly adapt.

These regulatory changes have been particularly prevalent in the property arena, where the combined DHLUC / FCA review of multi occupancy cladded building insurance has created a significant degree of operational uncertainty and policy change during the year, both for the company and our clients, as we await the outcome of the reviews.

Responding to the enduring tightness in the labour market, we also continued to operate a flexible hybrid working model, balancing the expectations of our staff with the growing need of the business to re connect face to face, and to recreate a vibrant office environment, that fosters the creativity, energy and staff learning and development needed to fully embrace the opportunities and challenges that lie ahead in a fast changing insurance world.

We are grateful to our staff, who are core to our product and service offering and thereby our financial and reputational success, and who have continued to show tremendous skill and commitment to the business throughout the year.

BRIDGE BROKERS LIMITED

CHIEF EXECUTIVE OFFICER'S REVIEW (INCORPORATING A STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2023

As we move into 2023/24, we believe we are well placed to continue delivering on our growth plan, building on 2022/23 with further strategic investments in key sectors, including Real Estate, PI and the London Office, whilst continuing to invest in the highly successful Bridge Academy and our IT systems to maintain our competitiveness, resilience and agility.

Alongside the focus on Fair Value and the property sector, the FCA response to current market conditions and the growing potential for consumer harm has been the introduction of a new Consumer Duty, which we implemented post year end in July 2023. Remaining steadfast in our commitment to our statutory and regulatory responsibilities, this reflects a continuing increase in the compliance burden on the firm and has driven the need for further investment in our compliance function in this new financial year. Meanwhile, we continue to operate fully under the FCA Senior Managers Regime, reallocating some RE responsibilities during the year to ensure clear lines of accountability in this area and as part of our ongoing succession planning as we continue to reshape for the future.

As stated, our financial results reflect the strength of the core business performance across a range of sectors, reporting sales growth of 11% to £17m whilst broadly maintaining profit before tax at £896k, both year's results including partial remuneration for the sale of the Specialist Risk book. Gross and operating margins fell back slightly from 69% to 68% and 6.3% to 4.8% in the year accordingly, due to a combination of regulatory pressures, a change in product portfolio mix and wage and cost inflation.

	2023 £'000	2022 £'000
Turnover	17,081	15,451
Gross profit (net retained fees and commission)	11,667	10,629
Net profit before tax	896	985

The balance sheet on page 10 shows shareholders' funds increasing in line with retained profits to £2,871,712 (2022: £2,245,905).

Operational Statistics	2023	2022
Headcount	103	99
Income per head (£'000s)	165	156
Retention rate % (non-scheme)	93	95

Brexit

The Board have set up a Maltese Holding Company and received post year end permission from the Maltese FSA to set up a Protected Cell Company in Malta operating through a Jatco owned Core Cell Company, providing our permanent solution to the loss of FOS access to Europe post Brexit. We acknowledge this was a more protracted process than originally envisaged due to the ever changing and tightening EU regulatory regime, and have maintained an interim wholesale solution, also via Jatco, to place EU risks on behalf of our International clients, during the period being reported on. Long term we remain confident that the direct impact of Brexit will be broadly neutral on company trading, although in the short term it has certainly created some challenges and uncertainties.

Corporate governance and oversight

Our risk governance framework allocates responsibility for the management of various business and regulatory risks which resides with the operational management of the firm.

BRIDGE BROKERS LIMITED

CHIEF EXECUTIVE OFFICER'S REVIEW (INCORPORATING A STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2023

Principal risks and uncertainties

The directors, management executive and senior employees are responsible on an ongoing basis for identifying and evaluating significant business and regulatory risks within their areas of responsibility, for developing suitable controls and for taking mitigating action where appropriate. They report regularly to the Board of Directors to enable them to review the potential impact of these risks.

The Board is satisfied that the major risks identified have been adequately mitigated where necessary.

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

On behalf of the board



M Backner

Director

31 October 2023

BRIDGE BROKERS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

Bridge Brokers Limited is a holding company. The principal activity of the group which it heads in the year under review was that of insurance broking.

Results and dividends

The profit for the year, after taxation, amounted to £725,806 (2022: £782,749).

The directors have recommended a dividend of £100,000 (2022: £600,000).

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M Backner
G D Cohen
A Backner
A Cohen

Auditor

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

BRIDGE BROKERS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

On behalf of the board

A handwritten signature in black ink, appearing to read 'M Backner', written over a horizontal line.

M Backner
Director

31 October 2023

BRIDGE BROKERS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BRIDGE BROKERS LIMITED

Opinion

We have audited the financial statements of Bridge Brokers Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the group statement of income and retained earnings, the group balance sheet, the company balance sheet, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

BRIDGE BROKERS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BRIDGE BROKERS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BRIDGE BROKERS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BRIDGE BROKERS LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Graham Rigby (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

31 October 2023

Chartered Accountants
Statutory Auditor

Ship Canal House
98 King Street
Manchester
M2 4WU

BRIDGE BROKERS LIMITED

GROUP STATEMENT OF INCOME AND RETAINED EARNINGS (INCLUDING A PROFIT AND LOSS ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	17,080,879	15,450,686
Cost of sales		(5,413,455)	(4,822,119)
Gross profit		11,667,424	10,628,567
Administrative expenses		(10,852,016)	(9,653,953)
Operating profit	4	815,408	974,614
Interest receivable and similar income	7	80,730	9,902
Profit before taxation		896,138	984,516
Tax on profit	8	(170,332)	(201,767)
Profit for the financial year		725,806	782,749
Retained earnings brought forward		1,607,903	1,425,154
Dividends		(100,000)	(600,000)
Retained earnings carried forward		<u>2,233,709</u>	<u>1,607,903</u>

Profit for the financial year is all attributable to the owners of the parent company.

BRIDGE BROKERS LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11		339,876		291,945
Investments	12		73,207		73,207
			<u>413,083</u>		<u>365,152</u>
Current assets					
Debtors	14	10,356,897		9,853,946	
Cash at bank and in hand		9,427,311		8,381,067	
		<u>19,784,208</u>		<u>18,235,013</u>	
Creditors: amounts falling due within one year	16	(17,284,571)		(16,313,478)	
Net current assets			<u>2,499,637</u>		<u>1,921,535</u>
Total assets less current liabilities			<u>2,912,720</u>		<u>2,286,687</u>
Provisions for liabilities					
Deferred tax liability	17	41,009		40,782	
		<u>(41,009)</u>		<u>(40,782)</u>	
Net assets			<u>2,871,711</u>		<u>2,245,905</u>
Capital and reserves					
Called up share capital	18		20,000		20,000
Share premium account			618,002		618,002
Profit and loss reserves			2,233,709		1,607,903
Total equity			<u>2,871,711</u>		<u>2,245,905</u>

The financial statements were approved by the board of directors and authorised for issue on 31 October 2023 and are signed on its behalf by:



M Backner
Director



G D Cohen
Director

BRIDGE BROKERS LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Investments	12		2,156,575		2,156,575
Current assets					
Debtors	14	-		200,000	
Cash at bank and in hand		30		30	
		<u>30</u>		<u>200,030</u>	
Creditors: amounts falling due within one year	16	-		(200,000)	
Net current assets			30		30
Net assets			<u>2,156,605</u>		<u>2,156,605</u>
Capital and reserves					
Called up share capital	18		20,000		20,000
Share premium account			618,002		618,002
Profit and loss reserves			<u>1,518,603</u>		<u>1,518,603</u>
Total equity			<u>2,156,605</u>		<u>2,156,605</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £200,000 (2022: £600,000).

The financial statements were approved by the board of directors and authorised for issue on 31 October 2023 and are signed on its behalf by:



M Backner
Director



G D Cohen
Director

Company Registration No. 03026339

BRIDGE BROKERS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	26	1,624,166		1,950,322	
Income taxes paid		(179,527)		(143,131)	
Net cash inflow from operating activities		<u>1,444,639</u>		<u>1,807,191</u>	
Investing activities					
Purchase of tangible fixed assets		(179,125)		(189,056)	
Proceeds on disposal of tangible fixed assets		-		48,500	
Interest received		78,133		9,902	
Dividends received		<u>2,597</u>		<u>-</u>	
Net cash used in investing activities		(98,395)		(130,654)	
Financing activities					
Dividends paid to equity shareholders		<u>(300,000)</u>		<u>(480,000)</u>	
Net cash used in financing activities		(300,000)		(480,000)	
Net increase in cash and cash equivalents		<u>1,046,244</u>		<u>1,196,537</u>	
Cash and cash equivalents at beginning of year		<u>8,381,067</u>		<u>7,184,530</u>	
Cash and cash equivalents at end of year		<u><u>9,427,311</u></u>		<u><u>8,381,067</u></u>	

BRIDGE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Bridge Brokers Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Cobac House, 14-16 Charlotte Street, Manchester, United Kingdom, M1 4FL.

The group consists of Bridge Brokers Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the company's accounting policies.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the Reduced Financial Reporting Regime, as permitted by FRS102 regarding the disclosure requirements of Section 3, 4, 7, 11, 12 and 33 of the standard. This information is included in the consolidated financial statements herein from a group perspective.

1.2 Basis of consolidation

The consolidated financial statements present the results of the group and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquirer's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair value at the acquisition date. The results of acquired operations are included in the consolidated statement of income and retained earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

The company has taken advantage of the exemptions allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group have adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

BRIDGE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover represents the total amount of commission and fees earned in the year with reference to commencement date of the insurance policy taken out by clients and is stated before introducer payments, commission sharing arrangements and other payaways which are reflected in cost of sales. Where there is an expectation of future servicing requirements arising after this date, a suitable proportion of income relating to the policy is deferred at inception and released over the life of the relevant policy. Turnover also includes override premiums, which are recognised on a receivable basis.

1.5 Intangible fixed assets - goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the fair value of its identifiable assets and liabilities at the date of acquisition. Goodwill is amortised on a straight line basis to the profit and loss account over its useful economic life.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when the cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, the estimated useful lives range as follows:

Leasehold improvement	10% straight line
Fixtures and fittings	10% straight line
Computer equipment	20-33% straight line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

1.7 Fixed asset investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

1.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value and are measured subsequently at amortised cost using the effective interest method.

BRIDGE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.10 Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.11 Financial instruments

The group enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties.

Debt instruments (other than those wholly repayable and receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured initially and subsequently, at the undiscounted amount of cash or other consideration, expected to be paid or received.

1.12 Insurance transactions assets and liabilities

Funds received in respect of insurance transactions are held in a statutory trust client bank account, together with certain funds received under risk transfer agreements where permission exists to co-mingle the funds and treat them as client money. Client bank account balances, debtors in respect of these transactions and the matching insurer liabilities are reflected on the balance sheet and shown net of fees and commissions receivable, which are included in trade debtors. Details of these amounts are shown in the notes to the financial statements. Interest credited to client bank accounts is recognised and reflected as interest receivable in these financial statements where the company has the right to such interest in accordance with the terms of business agreed with clients and insurers.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit of the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all the timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

BRIDGE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in profit or loss as they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

1.16 Leases

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit and loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. Rentals paid under operating leases are charged to the statement of income and retained earnings on a straight line basis over the lease term.

1.17 Foreign exchange

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

1.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

BRIDGE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Provision for doubtful debts

The directors have reviewed the trading business owing to the business from its customers and made adequate provision for any debts where it is considered probable that the amount will not be recovered. The amounts would otherwise have been recognised in trade debtors.

Deferred income

The directors have applied their knowledge of the operations of the business in determining a reasonable proportion of income to defer into future accounting periods, thereby matching benefits of the income with the associated post-inception costs.

3 Turnover and other revenue

	2023 £	2022 £
Turnover analysed by class of business		
Commissions receivable	17,080,879	15,450,686
	<u>17,080,879</u>	<u>15,450,686</u>
	2023 £	2022 £
Turnover analysed by geographical market		
United Kingdom	17,005,254	15,323,128
Europe	20,838	51,403
Rest of the world	54,787	76,155
	<u>17,080,879</u>	<u>15,450,686</u>

4 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	20,950	19,100
Depreciation of owned tangible fixed assets	131,194	157,789
Profit on disposal of tangible fixed assets	-	(17,375)
Operating lease charges	252,064	266,360
	<u>252,064</u>	<u>266,360</u>

BRIDGE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Insurance broking	84	80	-	-
Administration and finance	19	19	-	-
Total	103	99	-	-

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	6,315,935	5,505,496	-	-
Social security costs	772,931	617,008	-	-
Pension costs	551,885	500,595	-	-
	7,640,751	6,623,099	-	-

6 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	981,206	758,088
Company pension contributions to defined contribution schemes	30,825	9,600
	1,012,031	767,688

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2023 £	2022 £
Remuneration for qualifying services	300,473	239,062
Company pension contributions to defined contribution schemes	16,425	16,425

BRIDGE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Other interest receivable	78,133	9,902
Other income from investments		
Dividends received	2,597	-
Total income	80,730	9,902

8 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	170,105	179,527
Deferred tax		
Origination and reversal of timing differences	227	17,660
Adjustment in respect of prior periods	-	4,580
Total deferred tax	227	22,240
Total tax charge	170,332	201,767

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	896,138	984,516
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	170,266	187,058
Tax effect of expenses that are not deductible in determining taxable profit	10,852	5,553
Tax effect of income not taxable in determining taxable profit	(493)	-
Effect of change in corporation tax rate	54	9,788
Depreciation on assets not qualifying for tax allowances	530	1,029
Deferred tax adjustments in respect of prior years	-	4,580
Enhanced capital allowances	(10,877)	(6,241)
Taxation charge	170,332	201,767

BRIDGE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Dividends

	2023	2022
	£	£
Recognised as distributions to equity holders:		
Final paid	100,000	600,000

10 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 April 2022 and 31 March 2023	2,146,285
Amortisation and impairment	
At 1 April 2022 and 31 March 2023	2,146,285
Carrying amount	
At 31 March 2023	-
At 31 March 2022	-

The company had no intangible fixed assets at 31 March 2023 or 31 March 2022.

BRIDGE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

11 Tangible fixed assets

Group	Leasehold improvement £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2022	659,232	195,532	914,841	82,184	1,851,789
Additions	-	2,038	177,087	-	179,125
At 31 March 2023	659,232	197,570	1,091,928	82,184	2,030,914
Depreciation and impairment					
At 1 April 2022	618,645	157,507	764,178	19,514	1,559,844
Depreciation charged in the year	10,002	12,438	93,087	15,667	131,194
At 31 March 2023	628,647	169,945	857,265	35,181	1,691,038
Carrying amount					
At 31 March 2023	30,585	27,625	234,663	47,003	339,876
At 31 March 2022	40,587	38,025	150,663	62,670	291,945

The company had no tangible fixed assets at 31 March 2023 or 31 March 2022.

BRIDGE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

12 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	13	-	-	2,156,575	2,156,575
Other investments		73,207	73,207	-	-
		<u>73,207</u>	<u>73,207</u>	<u>2,156,575</u>	<u>2,156,575</u>

Other fixed asset investments represent the company's investment in 5% of the preference B shares of CHF 5,000 each of Brokerslink Management AG, a company incorporated in Switzerland.

Movements in fixed asset investments

Group	Other fixed asset investments £
Cost or valuation	
At 1 April 2022 and 31 March 2023	<u>73,207</u>
Carrying amount	
At 31 March 2023	<u>73,207</u>
At 31 March 2022	<u>73,207</u>

Movements in fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 April 2022 and 31 March 2023	<u>2,156,575</u>
Carrying amount	
At 31 March 2023	<u>2,156,575</u>
At 31 March 2022	<u>2,156,575</u>

BRIDGE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Bridge Insurance Brokers Limited	England & Wales	Insurance broker	A ordinary & B ordinary	100	-
Bridge Insurance Brokers London Limited	England & Wales	Dormant	Ordinary	100	-
Bridge Insurance Brokers (Manchester) Limited	England & Wales	Dormant	Ordinary	100	-

14 Debtors

	Group 2023 £	2022 £	Company 2023 £	2022 £
Amounts falling due within one year:				
Trade debtors	2,701,196	2,578,264	-	-
Insurance debtors	6,725,858	6,745,661	-	-
Amounts owed by group undertakings	-	-	-	200,000
Other debtors	77,567	33,511	-	-
Prepayments and accrued income	442,276	386,510	-	-
	<u>9,946,897</u>	<u>9,743,946</u>	<u>-</u>	<u>200,000</u>
Amounts falling due after more than one year:				
Amount due from related parties	<u>410,000</u>	<u>110,000</u>	<u>-</u>	<u>-</u>
Total debtors	<u>10,356,897</u>	<u>9,853,946</u>	<u>-</u>	<u>200,000</u>

15 Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	1,985,885	1,799,588
Client money held in trust	<u>7,441,426</u>	<u>6,581,449</u>

Client money held in trust, together with insurance debtors, represent amounts received or otherwise recoverable at the balance sheet date from clients on behalf of insurers in respect of confirmed policies. These amounts are stated exclusive of commission and fees receivable, which are reflected in cash or trade debtors, and in total are balanced by an equivalent liability to insurance creditors.

BRIDGE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Creditors: amounts falling due within one year

	Group 2023 £	2022 £	Company 2023 £	2022 £
Trade creditors	359,376	253,900	-	-
Insurance creditors	14,167,284	13,327,110	-	-
Corporation tax payable	170,105	179,527	-	-
Other taxation and social security	226,772	187,476	-	-
Dividends payable	-	200,000	-	200,000
Other creditors	18,125	14,833	-	-
Accruals and deferred income	2,342,909	2,150,632	-	-
	<u>17,284,571</u>	<u>16,313,478</u>	<u>-</u>	<u>200,000</u>

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2023 £	Liabilities 2022 £
Accelerated capital allowances	65,173	50,959
Short term timing differences	(24,164)	(10,177)
	<u>41,009</u>	<u>40,782</u>

The company has no deferred tax assets or liabilities.

	Group 2023 £	Company 2023 £
Movements in the year:		
Liability at 1 April 2022	40,782	-
Charge to profit or loss	227	-
Liability at 31 March 2023	<u>41,009</u>	<u>-</u>

18 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

BRIDGE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Share capital

(Continued)

On 16 May 2018 the company established the Bridge Brokers Limited Enterprise Management Investment Scheme, granting options over 100 A ordinary £1 shares and 100 B ordinary £1 shares to certain employees of the company's subsidiary undertaking, Bridge Insurance Brokers Limited (such shares to be issued and allotted on exercise). The options are exercisable at £1 per share and only upon the occurrence of certain events. All options remain in existence at the balance sheet date.

No share based payment charge is recorded within these financial statements as the options were granted at the market value of the shares at the date of grant.

19 Retirement benefit schemes

The group makes contributions to a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable by the group to the fund and amounted to £551,885 (2022: £500,595). Contributions totalling £46,131 (2022: £40,706) were payable to the fund at the balance sheet date and are included in creditors.

20 Client money

The following amounts are reflected in the balance sheet in relation to client money and the related insurer liabilities.

	2023 £	2022 £
Client money held in trust	7,441,426	6,581,449
Insurance debtors	6,725,858	6,745,661
Insurance creditors	14,167,284	13,327,110

21 Financial commitments, guarantees and contingent liabilities

The group operates a small number of incentive schemes where entitlement to receipt of payment is subject to future conditions being met, that are recognised in the profit and loss account at the point of payment accordingly.

22 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Within one year	213,039	269,348	-	-
Between two and five years	-	213,039	-	-
	213,039	482,387	-	-

BRIDGE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

23 Related party transactions

During the year the group paid rent of £85,000 (2022: £85,000) to pension schemes, of which M Backner and G D Cohen are trustees and members. There was no amount owing to the fund at either the current or preceding year end.

At the balance sheet date £nil (2022: £726) was owing to the group from G D Cohen, a director of the company.

At the balance sheet date £25,000 (2022: £nil) was owing to the group from A Backner, a director of the company. This balance is presented within other debtors.

During the year the group incurred costs of £7,960 (2022: £38,150) on behalf of Bridge-Ipro Ltd, a company controlled by A Backner and A Cohen. At the balance sheet date, £345,878 (2022: £337,918) was owed to the group by Bridge-Ipro Limited included in other debtors falling due in less than one year. Note that a provision for doubtful debts of £312,918 (2022: £312,918) has been made against this balance.

In addition, the group advanced loans totalling £300,000 (2022: £110,000) to Bridge-Ipro Limited in the year. At the balance sheet date, £410,000 (2022: £110,000) was owed to the group by Bridge-Ipro Limited in respect of the loan and is presented within other debtors. £150,000 of this balance is interest free, with the remaining balance incurring interest of 5.25%. The loan is repayable in instalments commencing in April 2025. Subsequent to the balance sheet date, further sums totalling £120,000 have been advanced on similar terms. The directors have considered the recoverability of these loans in total, including further advances if required, in the context of Bridge-Ipro Limited's revised business plan which forecasts the ability to commence repayments in instalments from April 2025.

24 Controlling party

In the opinion of the directors, the company is under the ultimate control of M Backner and G D Cohen.

25 Analysis of changes in net funds - group

	1 April 2022 £	Cash flows £	31 March 2023 £
Cash at bank and in hand	8,381,067	1,046,244	9,427,311

BRIDGE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

26 Cash generated from group operations

	2023 £	2022 £
Profit for the year after tax	725,806	782,749
Adjustments for:		
Taxation charged	170,332	201,767
Investment income	(80,730)	(9,902)
Gain on disposal of tangible fixed assets	-	(17,375)
Depreciation and impairment of tangible fixed assets	131,194	157,789
Movements in working capital:		
(Increase) in debtors	(522,754)	(711,735)
Decrease/(increase) in insurance debtors	19,803	(211,809)
Increase in creditors	340,341	201,331
Increase in insurance creditors	840,174	1,557,507
Cash generated from operations	1,624,166	1,950,322